

Fear Charges Mellon Ignores Law on Income

Ruling Standard Oil Stock Dividend Is Not Taxable Declared to Usurp Functions of Supreme Court

Congress Act Set Aside

Secretary's Action Asserted to Have Cost Treasury Hundreds of Millions

WASHINGTON, Oct. 22 (By The Associated Press).—Secretary Mellon was charged to-day by Representative Frear, Republican, of Wisconsin, by overthrowing the action of Congress by his ruling that Section 220 of the revenue law, designed to reach large surpluses accumulated by corporations to prevent the payment of individual surtaxes, was not applicable in the case of the projected 400 per cent stock dividend of the Standard Oil Company of New Jersey.

The charge was made in a letter to Mr. Mellon made public by the Wisconsin Representative. The communication was in reply to a letter from Mr. Mellon in response to one written by Mr. Frear early in the week calling attention to the reported stock dividend and urging that the penalty provisions be invoked. Mr. Mellon wrote that Section 220 had no relation to such stock dividends as that proposed by the New Jersey oil company, but added that there had been and would be no action on the part of the Treasury in evoking that section "wherever there is any basis for so doing."

Declares Ruling Sets Law Aside

"Your letter," replied Mr. Frear under date of to-day, "ignores and misrepresents the plain reading and purpose of the statute, and your ruling assumes the prerogatives of the Supreme Court when it sets aside this law."

"I trust that you are not under a misapprehension as to the question squarely presented to you, because the press has been filled with announcements that the purpose of the stock dividends to be issued by the Standard Oil Company and the proposed stock dividend of \$500,000,000 in United States Steel, in which you are supposed to be interested, is for the purpose of avoiding the surtaxes which would apply if these enormous amounts, aggregating over \$1,000,000,000, were distributed as cash dividends."

"Naturally, as a man of great wealth, interested in sixty or more corporations affected by the ruling on stock dividends and taxation, you will find your personal interest involved in any decision, but I assume in your position as a public officer you will be governed by the law and the interests of the nation rather than by any personal consideration."

25 Per Cent Penalty Evaded

"In your letter to me you say the corporation has paid its full tax. This, I take it, is to Section 230, but the penalty of 25 per cent is imposed upon the corporation for the evasion of the surtaxes that are held by corporations and not distributed as cash dividends in order to evade the tax payment under the individual surtax law. That is the distinction so clearly made by Congress that it cannot fairly be misunderstood. It is another way of reaching the tax on undistributed profits, which is undoubtedly permitted under the law and the decision of the Supreme Court in the stock dividend case."

"Your efforts to protect the government Treasury in the past have not been directed toward collecting a tax upon large and lawful corporations, and in the present emergency your action in overruling the express act of Congress will result in a loss to the Treasury of an amount reaching several hundred million dollars annually."

"I trust that you will reconsider your ruling."

Adoption of the pending resolution proposing a constitutional amendment putting an end to the issuing of tax-exempt securities will be urged upon Congress at its short session, it was said to-day by high fiscal officers of the Administration. They declared the question of tax-free bonds was the most important, alone of the national tax problem, but of some of the industrial ones as well.

It was indicated that the proposed legislation would have the full support of the Administration. President Harding was expected to renew in his annual message to Congress in December his recommendations for such a change. Secretary Mellon and other Treasury officials also were expected to reiterate their support of the resolution.

Aside from the proposal to end the issuing of non-taxable securities, recommendations with respect to taxation to be made to Congress by Secretary Mellon in his forthcoming annual report were expected to be few and to deal largely with such changes in the existing law as have been found to be desirable through practical administration.

Bail Jumper on Way Here To Face Bootlegging Trial

Captured in Savannah; Indicted for Conspiracy and Smuggling Liquor

SAVANNAH, Ga., Oct. 22.—Anthony Cassese, alias Albert Sousa, arrested here October 13 at the request of the Federal District Attorney at Brooklyn on charges of conspiracy and smuggling liquor from the Bahamas Islands, was taken to New York to-day for trial.

Cassese jumped his \$10,000 bail last May while facing two indictments pending against him in the Federal courts in Brooklyn, in each of which he was charged with running liquor into this country. The prohibition authorities had gathered evidence indicating that he had been in the rum smuggling trade for two years and that he was directing the activities of seven schooners which were plying to and from the American shore with cargoes of whisky. Two of these vessels, the Edith and the Ripple, have been seized and sold at government auction. Two weeks ago 12,000 bottles of liquor were found on the former craft were destroyed.

Mrs. Edith Stephens, who accompanied Cassese on several cruises on the Edith, was tried for conspiracy in August. She was acquitted after she had asserted that she had no idea of the nature of the schooner's cargo.

Berlin Sees Reparations Proposal as 'Blackmail'

Press Charges Barthou Plan Is Overt Assault on Sovereignty

BERLIN, Oct. 22 (By The Associated Press).—The plan submitted by Louis Barthou, French representative on the Reparations Commission, as a solution for Germany's financial difficulties and a method of placing the country in a position to meet her reparations payments, is sharply attacked by sections of the press, which declare it to be an overt assault on the sovereignty of the German Republic.

"Democracy, self-determination, the parliamentary system and all state sovereignty would vanish if the French plan were put into execution," says the "Vossische Zeitung," which views the scheme as an attempt to place Germany under rigorous financial guardianship. This newspaper believes the proposed procedure would be productive of much internal embitterment, political convulsions and economic disorder and would result in a dollar exchange rate of from five to ten thousand marks, and in the end would fail to accomplish the desired result—yield reparations. "A new reparations crisis is at hand," says the "Kreuz Zeitung," which believes the French intention of the present move is deliberately planning "economic blackmail" of Germany.

Coal Investigators Will Hear Union Men To-day

WASHINGTON, Oct. 22.—The United States Coal Commission will begin a series of conferences to-morrow with representatives of the coal mining industry, hearing first a committee of the United Mine Workers, as spokesmen for union miners in both the anthracite and bituminous operations. John L. Lewis, president of the commission, is not expected to attend the preliminary sessions, which are to be executive.

The commission will discuss the same topic with Alfred M. Ogle, president of the National Coal Association, and S. D. Farriner, who has acted as spokesman for anthracite employees. It is the intention of the commission to ask the creation of advisory committees in the industry to co-operate with it.

Woman "Carrier" Spreads 13 Typhoid Cases in 20 Years

ALBANY, N. Y., Oct. 22.—A mother-in-law who for more than twenty years has unwittingly and innocently infected with typhoid germs members of her family and others in up-state cities has been "trailed" by state and local health authorities, found "positive" to test and put under restriction to prevent further contagion. Thirteen cases of the disease may be traced to the woman, authorities say.

The first to be infected was a boarder, who fell ill with typhoid in 1900, the Health Department officials said in reviewing the case. Since that time the woman has visited in the homes of her sons and daughters-in-law for varying periods, with the result that she has infected four sons-in-law, two sisters, the father and mother of one of the sons-in-law, two grandsons and indirectly a nurse employed in one of the cases. Two other sons-in-law have thus far escaped, but recent visits of the mother-in-law are taken to augur their danger.

The woman's desire to aid in kitchen

Week's Grace For Ships Under Liquor Ruling

Dry Agents Will Be Called On to Act Only in Case of Vessels Sailing From Alien Ports After Sunday

Nine Lines Are Exempted

On All Others Rum Must Be Dispensed With Before 3-Mile Limit Is Reached

WASHINGTON, Oct. 22.—Under an interpretation of the prohibition law affecting ships reaching American ports, which became effective at 12:01 this morning, it is considered probable that a week will elapse before the enforcement agents will be called upon to act in any specific case.

Ocean steamers which sailed from foreign ports to-day for the United States faced the necessity of carefully computing the amount of alcoholic beverages on board against the mileage shown by the ship's daily log. The last steamer and decauter must be emptied before the ship crosses the three-mile line marking the accepted limit of American maritime jurisdiction under the ruling.

Shipping Lines Exempted

Fleets of nine companies are temporarily exempted from operation of the law by reason of injunction proceedings pending before Federal Judge Hand in New York, and will be permitted to enter with their wet goods, safely secured under the system which prevailed before Attorney General Daugherty ruled that the Eighteenth Amendment and the Volstead act applied to American "territory" as a whole and not only to the Continental terra firma.

The nine "exempt" lines include two American companies, the International Mercantile Marine and the United American Lines, and seven registered under foreign flags—the Cunard-Anchor, White Star, French, International Navigation, Holland-American, Scandinavian-American and the Royal Steam Packet. They have sought permanent injunctions against enforcement of the law on the ground that Mr. Daugherty went further than the authors of the statute and amendment intended; or if he did not err in this respect, then the act itself was illegal in scope.

Will Go to Supreme Court

Meanwhile officials here were confident that the forthcoming decision of Judge Hand might serve temporarily to clear the atmosphere. Regardless of its nature, an appeal, however, will be taken to the Supreme Court.

Secretary Mellon expected to give approval to-morrow to regulations formulated by the prohibition bureau for guidance of customs and prohibition authorities along the coast. In view of their bearing on the relations of the government with foreign maritime nations, both the State Department and the Department of Justice are expected to take an special interest in the procedure.

The regulations are expected to delimit clearly the activities of the "dry" navy to the three mile zone, and the cases of ships which have illegally established contact with the shore, while themselves outside the zone.

The British Embassy has made an issue of the embargo seizure, contending there was no evidence to show that she was in touch with American territory. The prohibition agents at New York assert that they came upon the ship while small boats from the shore were engaged in transferring her liquor cargo, and that this was sufficient to warrant her detention.

work gave her opportunity to spread the disease by passing germs to food and dishes which she handled, the health authorities say, but the case is considered the more remarkable in that not one of the woman's own children, seven daughters and three sons, has contracted the disease.

A blood examination proved positive when the woman was suspected of being a chronic spreader of typhoid fever six years ago, but until recently she refused to submit more specimens. A few weeks ago three specimens were taken and were found positive beyond all doubt to tests for the presence of the typhoid bacillus.

The woman's desire to aid in kitchen

Veteran Dies; Hospital Not Clean, Charge

Representative A. B. Rossdale Declares Sea View Institution Unfit, Following Men's Complaint

To Inform Hyman To-day

Superintendent Denies Accusations and Another Congressman Disagrees

Albert Johnson, of 625 Jackson Avenue, the Bronx, a tubercular overseas veteran, died without medical attention last Friday night in Sea View Hospital, Staten Island, amid unsanitary conditions, according to charges made yesterday by Representative Albert B. Rossdale, of the 23d New York Congressional District in the Bronx.

Mr. Rossdale, accompanied by Representative Isaac Siegel, inspected the hospital, a city institution, yesterday on complaint of sixty-seven tubercular veterans, under treatment there at government expense. The Congressmen, it was declared, found conditions so unclean and food so poor that Mr. Rossdale said last night he would call on Mayor Hyman this morning and demand a betterment.

"We found that men who are able to walk around as served, army style, food unfit for human consumption, and that they take this food on dirty, rusty iron trays to their beds to eat it," said Mr. Rossdale. "The beds are unclean as a result. I took one of the food trays back with me and will show it to the Mayor."

Only One Doctor There

"We found that only one doctor is on duty at the hospital and that he works days. At night the patients have no medical attention. The bay who died without medical aid was from my district. The doctor arrived half an hour after he was dead of a hemorrhage."

A blanket denial of Mr. Rossdale's charges was issued by the superintendent of the hospital last night, when he was informed over the telephone of the statements made by the Congressmen. Mr. Siegel did not agree with his colleague from the Bronx. He said that everything about the wards was bright and shiny, and the food that he had seen was good—so good that the veterans urged him not to consider it. He said that the patients were clean and that the hospital authorities had had no warning of his visit.

The Harlem Congressman said that conditions probably would be improved if small tables for six were put in the wards to do away with the bedside meals, and that inasmuch as many of the boys come from up-state cities it would be wise to allow them more than thirty-six hours' leave every two months to let them get to their homes. He added that he meant to take up difficulties the patients have had in getting their money when they were in the Veterans' Bureau, but declared that if Mr. Rossdale complained to Mayor Hyman he would do so alone.

Ex-Servicemen Complained

The visit of the two representatives to Sea View was prompted largely by a letter sent to them over the signature of sixty-three of the seventy-three ex-servicemen, in which the invalids complain bitterly of the food which was served to them.

"We call your attention to conditions at the above hospital," they said. "The breakfast foods either contain worms or hair or are musty. The fruits are poor and are badly decayed. Most of it is served rotten. The meats are very dirty and on the verge of spoiling when cooked. Foods often contain roaches. The potatoes are not properly cleaned."

"The chicken served on Sunday often is improperly picked and contains feathers. Cabbage often contains worms and roaches are found in the bread."

Meals are described in detail in the letter which concludes: "The above conditions have prevented our recovery. Dr. Kramer has been notified and has promised to have conditions bettered but no change has been noted. The Veterans' Bureau also has been notified, but nothing has been done. It is impossible to put up with this a longer. We, the undersigned, ask to be transferred to some place where we will get decent food. All of us are losing weight because we cannot get proper food."

Jews of 3 States Plan For Palestine's Growth

Colonel Wedgwood Tells Big Gathering of Delegates Britain Needs State There

PHILADELPHIA, Oct. 22.—Hundreds of representative Jews of Pennsylvania, New Jersey and Delaware, members of Region 4 of the Palestine Foundation Fund, assembled to-day to confer on plans for participation in the upbuilding of Palestine as the Jewish national home. Colonel Josiah Wedgwood, a member of the British Parliament and vice-president of the British Labor party, spoke this afternoon and again at a banquet to-night.

Colonel Wedgwood declared that the motives of Great Britain in sponsoring Palestine were fair ones. "It is true," he said, "that Great Britain needs the Jews in Palestine. Palestine needs to be rebuilt, and the people who must do the building are the Jews themselves, and no one else."

A sturdy and independent Jewish peasantry already is being developed, he said.

House Members Ask West Point Be Strengthened

Recommend Keeping Corps of Cadets at Authorized Size and for Resumption of Building Program

From The Tribune's Washington Bureau

WASHINGTON, Oct. 22.—West Point is given high praise as an institution and recommendations are made for strengthening it in the report of the board of visitors to the United States Military Academy, made public to-day by Secretary of War Weeks. The board consisted of Representatives Mirin, of Pennsylvania; Miller, of Washington; Parker, of New Jersey; Wurzback, of Texas, and Fisher, of Tennessee.

Immediate resumption of the building program and keeping of the corps at its authorized strength are among the important recommendations. Extracts from the report are: "West Point is becoming the recognized authority in this country on physical training methods."

"During the summer of 1920 and 1921 the corps of cadets was removed from West Point to the cantonment at Camp Dix, where it went into camp alongside the first regular army division. With the abandonment of all the large army cantonments as stations of regular army divisions, except Camp Travis in Texas, the problem of locating the cadets away from West Point for their summer training has become very difficult of solution."

"Certainly the cadets should not be taken away from West Point unless the place to which they are taken offers advantages at least the equal of or greater than those found at West Point. It is understood that a survey of places within reasonable distance from West Point failed to locate a regular army station which had satisfactory training and recreational advantages for the cadets. There is no station now anywhere, except at Camp Travis, where they could be placed alongside a regular army division."

"Since the war the efforts of all of us have been to do for the future of the academy what Colonel Thayer did for the past."

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so well in his day; that is, establish general principles and policies which would leave a permanent and beneficial impression on the institution for many years to come."

The reports quote General Pershing as follows: "What the academy stands for has always been my guide throughout my military career, and to have approached the high ideals of duty, honor and service to the country that are the real spirit of West Point has to me a meaning that nothing else has. The longer I live and the further I have gone on in the service the more I reverence the things that inspire the heart and soul of young men at West Point."

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Two combatants now

Dental science, after long research, found two ways to fight film. One acts to curdle film, and to remove it, and without any harmful scouring. Able authorities proved these methods effective. Then a new-type tooth paste was created, based

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Other results were found to be essential, and Pepsodent brings them. It multiplies the alkalinity of the saliva. That is there to neutralize mouth acids, the cause of tooth decay. It multiplies the starch digestant in the saliva. That is there to digest starch deposits, for they may ferment and form acids. This even gives manifold power to these great natural tooth-protecting agents. And these combined effects are fast creating a new dental era.

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